

## NEW SOUTH WALES.

## BUSINESS STATISTICS - WEEKLY NOTES.

23rd APRIL, 1940.

This Week's Notes include:-

## PART I

SEASON: Generally favourable.EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: Sale of wheat and barley - Shipping negotiations - Export prices firm - New York and London Stock markets weaker. British wholesale prices steadier, except textiles.WOOL: Sydney main appraisements concluded. Rationing of competitive textiles in U.K.WHEAT: Continued advance in world prices. Progress of Australian export sales. Local trade quiet - prices steady. Flour tax reduced.BUTTER: Production declining.METALS: Tin dearer, silver steady in London.

## PART II

INTERNATIONAL CURRENCY RELATIONS: Sterling slightly firmer on New York open market. Further acquisition of British dollar securities in United States.

## PART III

RETAIL TRADE, N.S.W.- Employment in N.S.W. - mid March, 1940.- Activity in City Stores - February, 1940.BANKING - TRADING BANKS in N.S.W.

- Averages for March Quarter, 1940.

SAVINGS BANKS, N.S.W.

- Depositors' Balances at 31st March, 1940.

OVERSEA TRADE, N.S.W. (Merchandise)

- March and July-March, 1939-40.

## PART IV

MANUFACTURING INDUSTRIES, N.S.W.- Factory Employment - mid-March, 1940.- 42 Large Factories - Sales, Employment and Pay rolls - February and Jan.-Feb., 1940.BUILDING PERMITS - METROPOLISValue and ) March and March Qr., 1940.  
Dwellings Proposed)COAL : N.S.W.- Employment in Collieries - mid-March, 1940- Railway haulage and Shipments beyond N.S.W.

- March and March Qr. 1940.

GAS AND ELECTRICITY (Sydney)

- Index of Consumption - March, 1940.

WIRELESS LICENSES, N.S.W.

- Broadcast Listeners' Licenses in force at 31st March, 1940.

## PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. Substantial rains in recent weeks have restored seasonal prospects over the greater part of the State. Following rains will be needed, especially in the Upper Hunter Valley and on the South Coast. Wheat sowing is proceeding under satisfactory conditions. A heavy wool clip is expected and with surface water supplies replenished and pastures refreshed lamb production also may be high. Owing to the dry summer inland potato crops are expected to yield poorly.

EXPORT PRICES AND EXTERNAL TRADE CONDITIONS: The sale to Japan of 100,000 tons of flour and 57,000 tons of barley lifts part of Australian surpluses where disposal presents difficulties. The price of wheat has risen. Arrangements for sugar provide annual disposals of 300,000 tons to the United Kingdom, 120,000 tons to Canada and 80,000 tons to New Zealand, assuring full absorption of the Australian surplus. The shipping problem is still a vital factor, though meat for export has moved freely and in value and volume major items of export exceed those of a year ago. An Australian refrigerated freight committee has been formed and it is reported from London that as a result of negotiations with Britain priority of treatment may be given several Australian and New Zealand products. Wine, dried and canned fruits are commodities said to be under discussion.

Australian export prices tend to rise slightly and are now 81.4 per cent. of the 1927 average (Commonwealth Bank's index) compared with 83 per cent. of that average in the years of great economic progress from 1935-36 to 1937-38.

Last week industrial securities on London and New York stock markets fluctuated with an easier trend. A New York message attributed the weaker market to uncertainty regarding possible war developments in the Pacific. In London the impending budget statement and European developments and fears affected the market.

British imports exceeded exports by £stg. 325 m. in the seven months of the war. March returns failed to show any really significant increase in exports. The "Economist" index shows that British wholesale prices rose by 36 per cent. between August 23, 1939 and April 17, 1940. Prices of textiles continue advancing rapidly, otherwise recent price movements were slight. Index numbers (1927 = 100) were:-

	<u>Cereals &amp; Meat.</u>	<u>Other Foods.</u>	<u>Textiles</u>	<u>Minerals</u>	<u>Miscellaneous.</u>	<u>Complete Index.</u>
Aug. 23, 1939	66	61	53	93	76	69
Dec. 13, "	87	80	77	104	96	89
Feb. 28, 1940	87	82	76	115	101	92
Mar. 13, "	87	81	82	115	100	93
Apr. 17, "	87	80	88	116	99	94

The British Government has decided to ration retail supplies of cotton, rayon and linen.

WOOL. The main wool selling season in Sydney closed on April 19, 1940. The quantity of wool appraised and sold in Sydney during the season was 1,303,512 bales of a total value, at the agreed purchase price, of approximately £A22,159,000. Sales of wool in Sydney in the ten months ended April, 1939 were 1,059,000 bales, for which £14,106,000 was paid.

Final appraisements in Sydney for 1939-40 will take place from June 10 to 21.

Full details are not yet available here, but it appears that supplies to retailers in the United Kingdom, of cotton, rayon and linen goods are to be limited. It is reported that this action will remove

PART I. (Continued.)

the disadvantage formerly suffered by wool as the only rationed textile. Rayon has been competing strongly with wool. There are fears that rationing may cause heavy blends of rayon in woollen manufactures. Doubtless the rationing of textiles has the two-fold object of reducing home consumption of (and spending upon) textiles, and facilitating an increase in British textile exports.

The wooltops market in New York is steady.

Sales of raw wool to neutral countries are likely to make some appreciable addition to the average price realized for Australian wool in 1939-40 but until the whole clip is sold the profit accruing in this way will not be known. The agreed average price of the British purchase of the clip (13.4375d. (Aust.) per lb., greasy) is 3.4d. per lb. higher than at this time last year and compares with average prices secured in open market in recent seasons as under:-

AVERAGE PRICE OF GREASY WOOL IN SYDNEY.

Seasons ended June -

	1926- 29.	1931- 33.	1936- 38.	1938.	1939.	1940. (a)
Pence (Aust.) per lb.	17.2	8.5	14.3	12.7	10.3	13.4

(a) Agreed price under British purchase; subject to addition of one-half profit on re-sale of raw wool outside the United Kingdom.

WHEAT. In world markets the rise of last week carried futures quotations in Chicago to the highest level for three years. Over the last fortnight July futures rose about  $6\frac{1}{2}$  cents a bushel in Chicago and nearly 3 cents a bushel in Winnipeg. In London Australian wheat is 2 $\frac{5}{8}$ d. a bushel dearer than in the middle of March. Good sales of Canadian (12m. bus. to U.K. on Apr. 15) Argentine and Australian wheat have been reported. Other market factors are crop conditions indicating decreased production in Europe and America.

On April 18 the sale of 100,000 tons of Australian flour to the Kitsui Bussan Kaisha of Japan was reported. Milling of this flour will relieve a local shortage of wheat offals. The Minister of Commerce stated (Apr. 20) that there would be a heavy carry-over of wheat in Australia when the next harvest began. The Australian Wheat Board announced on Apr. 21 that 195m. bus. of 1939-40 wheat had been delivered to the pools. Export sales effected to date total about 90m. bus; 18.8 m. bus. as flour and 72m. bus. as wheat. The undisposed exportable surplus is now about 66 million bushels.

Except for export orders booked on Friday last (19th) and occasional millers' purchases for export flour, the local wheat market remained very quiet. Prices fixed by the Board on April 12, 1940, when an increase of 2 $\frac{1}{2}$ d. a bushel was made, continue. These are, per bushel, f.o.r., Sydney, for bagged wheat for export, 4s.3d., and for silo wheat for local flour and small export orders, 4s. per bushel. The price of silo wheat is 1s.6 $\frac{1}{2}$ d. a bushel higher than at the corresponding date of last year.

Following upon the advance in wheat prices the rate of flour tax was reduced 10s. to £1.15s.5d. a ton on April, 22 1940. The price of flour, including tax was unchanged at £12.10s. a ton.

PART I. (Continued.)

PRICES OF BULK WHEAT - NEW SOUTH WALES.

	<u>Ex Trucks, Sydney.</u>	<u>Equiv. Ex Farm, Country Siding. (a)</u>
s.d. per bushel.		
Average - Seasons 1930-31 to 1934-35	2 9½	2 2½
- Season 1936-37	5 3	4 8
- " 1937-38	2 6½	1 11
- March, 1939	2 4	1 8½
- " 1940	3 9½(b)	(c)
April 20, 1940	4 0(b)	(c)

(a) Excluding bounty. (b) Prices for sale for local consumption.

(c) Farmers have been advanced 2s. 8½d. a bushel, less freight, etc. On current export values and disposal prospects a further substantial payment seems likely.

BUTTER. Recent rains may check the decline in butter production (now at a level much below that of a year ago) but more rain is required in most districts other than the North Coast.

A London comment on the position in relation to United Kingdom supplies of butter implies that the substitution of cheap margarine may possibly outweigh in effect the interruption of Danish and Scandinavian exports to Britain.

The wholesale price of butter in New South Wales, Victoria and Queensland is 158s. 8d. per cwt. (unchanged).

For butter sold to the United Kingdom payment is at the rate of 137s. 2d. (Aust.) per cwt., f.o.b., Australian port. This compares with the market export parity realization of 126s. (Aust.) per cwt. a year ago, and with the return obtained in certain recent seasons as under:-

PRICES OF BUTTER - EXPORT AND LOCAL.

	Average - Seasons ended June -				At April 18.	
	1929-32.	1933-36.	1937-39.	1939.	1939.	1940.
	Shillings (Australian) per cwt.					
Export Parity	135	88	122	123	126	137(a)
Local Sales	173	134	150	159	159	159

(a) Agreed price for British purchase, 1939-40.

METALS. There was no change in the prices of the British Ministry of Supply for lead, zinc and copper. Open market quotations in London for spot tin rose each day until Friday last, when there was a slight reaction, though the price then was £4 higher over the week. The declining trend of visible supplies was the principal market influence. Prices of tin in London were:-

/Average .....

PART I. (Continued.)

Average, Month of -

<u>Aug.,</u> <u>1939.</u>	<u>Dec.</u> <u>1939.</u>	<u>Jan.,</u> <u>1940.</u>	<u>Mar.,</u> <u>1940.</u>	<u>April 19,</u> <u>1940.</u>
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£stg. per ton.

229	18	9	249	2	8	240	18	0	251	17	6	254	10	0
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The price of silver in London has varied little in recent weeks. The quotation of 1s.8 $\frac{7}{8}$ d. (stg.) an oz. on April 19, 1940 was about the same as the average price in February and March, but over 2d. (stg.) per oz. below the average in November and December last. Depreciation of sterling is a major factor in the rise in price of silver from 1s.5 $\frac{1}{2}$ d. (stg.) in August, 1939.

## PART II. INTERNATIONAL CURRENCY RELATIONS.

Price of Gold. (London)	Rate of Exchange.				
	London on New York	London on Paris.	New York on London.	New York on Paris.	
	Per oz. fine	\$ to £stg.	Fr. to £stg.	\$ to £stg.	\$ to Fr. 100.
£. s. d.	(Pegged from Sept. 1939			(Open Market).	
average-1937	7 0 9	4.94	124.6	4.94	4.04
" -1938	7 2 6	4.89	170.6	4.89	2.88
, July, 1939	7 8 6	4.68	176.7	4.68	2.65
Aug., "	7 10 6	4.61	176.4	4.61	2.62
Feb., 1940	8 8 0	4.03	176.6	3.96	2.25
Mar., "	8 8 0	4.03	176.6	3.75	2.13
March 2, 1940	8 8 0	4.03	176.6	3.93	2.23
" 30, "	8 8 0	4.03	176.6	3.53	2.00
April 6, "	8 8 0	4.03	176.6	3.58	2.03
" 13, "	8 8 0	4.03	176.6	3.52	2.00
" 20, "	8 8 0	4.03	176.6	3.53	2.00

The British official rates of exchange between sterling and French and American currencies remain unchanged. On the open market in New York sterling tended a little firmer during the past week, although Wall Street reacted to war developments.

A British Treasury Order made on April 15, 1940 requires British holders of 117 specified United States dollar securities to transfer them at the ruling market prices of April 13, 1940 to the Treasury. This follows upon, and was forecasted when the initial order was made on February 19, 1940 mobilising British-held securities in the United States for the nation. That order extended to nominated securities, British holdings of which were valued at about £stg. 24 million. The securities now to be acquired are believed to amount to about £stg. 75 million.

This method of providing dollar payments for essential war purchases has the disadvantage of diminishing future national income. The alternative - accumulation from the proceeds of current exports - remains in the forefront of British policy, but as yet aims and achievement show little approach to convergence.

### PART III. FINANCE AND TRADE.

RETAIL TRADE. As a result of increasing employment and greater purchasing power arising from war activities and increased returns in rural industries, conditions in retail trade are buoyant. There was a seasonal decrease in employment in shops with ten or more employees from February to March but a slight increase in comparison with March, 1939. Seasonal movements apart, statistics for the war months indicate steadiness rather than any significant increase in employment in retail trade:-

#### PERSONS EMPLOYED BY RETAILERS IN N.S.W. WITH TEN OR MORE EMPLOYEES.

	1937-38.	1938-39.	1939-40.	Increase 1939-40 over 1938-39.
September	49,854	50,989	51,176	187
December	57,364	58,716	58,967	251
January	50,796	51,304	52,372	1,068
February	51,919	53,046	53,602	556
March	50,727	51,317	52,062	745
Increase, Sept. to March.	873	328	886	-

The geographical distribution of this employment shows that there has been an increase in city shops and in the Newcastle district. But in the suburbs and in country towns retail employment has decreased over the past two years. The particulars (for employees in firms with ten or more employees) are:-

	<u>City.</u>	<u>Suburbs.</u>	<u>Newcastle District.</u>	<u>Country Towns.</u>	<u>Total.</u>
March, 1938	35,492	4,100	2,432	8,703	50,727
" 1939	36,165	4,060	2,445	8,647	51,317
" 1940	37,051	4,012	2,510	8,489	52,062

In the group of large shops in Sydney the value of sales in February, 1940 was 10.6 per cent. greater than in February, 1939. Important increases included piece goods (32.1%) hardware (10.6%) books and stationery (11.4%) fancy goods (11.3%) and boots and shoes (9.7%). Of 22 categories sports and travel goods was the only class to show a decrease (7.8%) in comparison with February, 1939.

Stocks under all headings were 12.8 per cent. above the value of a year earlier and were lower only in the case of household piece goods. Higher prices, particularly of imported goods, partly account for the greater value of sales and stocks.

During the first six months of the war sales effected in these shops were 7.1 per cent. greater in amount than in Sept-Feb., 1938-39, the average number of employees was one per cent. greater, and the amount paid in salaries and wages increased by 2.8 per cent.

BANKING. Enhanced export income, the general increase in economic activity and the expansion of central bank credit have brought about a pronounced change in the banking situation in Australia since the war began. In nine Australian banks the ratio of advances to deposits fell from 94 per cent. in September, 1939 to 79 per cent. in February, 1940 and that of cash and Treasury bills to deposits rose from 15.9 to 25.8 per cent.

National monetary policy has been directed to assuring cheap money as an essential basis for the nation's war effort, and attainment of this aim has been furthered by the bountiful season of 1939-40 and the higher level of export prices. This, however, does not mean that there will be abundant cheap money available for all purposes but, in the main, for such purposes as are approved by the

PART III. (Contd.)

Treasurer on the advice of the Investment Advisory Board.

In New South Wales, between December quarter, 1939 and March quarter, 1940 private deposits in private trading banks increased by £5.6 m. to the record level of £126.3 m. Of the increase £4.8 m. was in current accounts. From September quarter, 1939 to March quarter, 1940 deposits increased £11.6 m. and advances were reduced £7.4 m., largely due to the inflow of export income. As a result an excess of advances over deposits of £9.6 m. was transformed to an excess of deposits over advances of £9.4 m. In March quarter, 1939 advances exceeded deposits by £3.6 m.

NEW SOUTH WALES: PRIVATE DEPOSITS AND ADVANCES - PRIVATE TRADING BANKS.  
Movements from December and March Quarters of Preceding Year.

Dec.Qr. to March Quarter.				From Preceding March Quarter.				
	DEPOSITS			Advances	DEPOSITS			Advances
	Fixed.	Current	Total		Fixed	Current	Total	
1936-37	£m.	£m.	£m.	£m.	1936-37	£m.	£m.	£m.
	+ 2.0	+ 4.3	+ 6.3	- 1.9		+ 3.3	+ 2.6	+ 5.9
1937-38	+ 0.5	+ 0.9	+ 1.4	+ 2.7	1937-38	+ 3.5	+ 2.2	+ 5.7
1938-39	+ 0.6	+ 2.1	+ 2.7	- 1.8	1938-39	+ 2.0	- 0.1	+ 1.9
1939-40	+ 0.8	+ 4.8	+ 5.6	- 5.9	1939-40	+ 1.3	+ 9.0	+ 10.3
								- 2.7

A liquid banking position has replaced the stringency prevailing in 1938-39 and the rapid accumulation of funds has been accompanied by a definite decline in interest rates. The average yield on Government securities of five or more years maturity has fallen to less than £3.10s. per cent. compared with nearly £4 2s. per cent. in September last. On fixed deposits with the Commonwealth and trading banks the rate of interest was reduced one-quarter of one per cent. as from January 24, 1940. As from May 1, 1940 the Commonwealth Bank's rate of discount on Treasury bills will be reduced from  $1\frac{3}{4}$  to  $1\frac{1}{2}$  per cent.

Particulars of private deposits and advances in trading banks in New South Wales are appended:-

PRIVATE TRADING BANKS IN NEW SOUTH WALES. (a)  
(Aggregate of Quarterly Averages.)

Quarter.	DEPOSITS			Advances.	Excess of Deposits over Advances.
	Fixed.	Current.	Total.		
	£m.	£m.	£m.	£m.	£m.
March, 1929	62.1	49.3	111.3	98.4	12.9
" 1931	65.4	36.7	102.1	101.1	1.0
March, 1936	55.6	46.9	102.5	101.9	0.6
" 1937	59.0	49.4	108.4	104.3	4.1
" 1938	62.5	51.6	114.1	114.5	(-)0.3
December, 1938	63.9	49.4	113.3	121.4	(-)8.1
March, 1939	64.5	51.5	116.0	119.5	(-)3.5
December, 1939	65.0	55.6	120.6	122.7	(-)2.1
March, 1940	65.9	60.4	126.3	116.9	9.4

(a) Excluding Commonwealth and Rural Banks and excluding Government Deposits and Government Securities in Private Trading Banks.

(-) Denotes excess of advances over deposits.

PART III. (Continued.)

SAVINGS BANKS. During March, 1940 the amount withdrawn exceeded the amount deposited in Savings banks in New South Wales by £408,000. This decrease may be attributed to subscriptions to the Commonwealth £18 million Works and Defence Loan and to the utilization of savings for the purchase of War Savings Certificates, on sale from March 18, 1940. As these are repayable on demand and carry a higher rate of interest (3½ per cent. over 7 years, compared with 2 per cent. on savings deposits up to £500 and 1½ per cent. from £500 to £1,300 on minimum monthly balances) they are likely to attract future savings as well as to absorb some part of existing savings bank deposits. A limit will be set however by the provision of a maximum individual holding of War Savings Certificates of £250 face value.

Depositors' balances on March 31, 1940 were £80,759,000 compared with £86,269,000 on March 31, 1939. The increase of £490,000 was much smaller than in the corresponding twelve months of other recent years as shown in the appended table.

Apart from effects of the coal strike conditions generally are favourable to accumulation, though this will not necessarily be reflected in savings bank deposits.

SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances		Increase in Deposits		Number of Open Savings Accounts.	
	At end of February.	At 31st March.	In March.	In Year ended Mar.	At 31st August/	At 31st March.
			£000	£000		
1932	71,259	70,767	- 492	- 6	(1933)	1,028
1936	79,191	79,116	- 75	2,466	1,096	1,144
1937	79,838	79,770	- 68	654	1,178	1,200
1938	83,698	83,989	291	4,219	1,238	1,266
1939	86,591	86,269	- 322	2,280	1,306	1,315
1940	87,167	86,759	- 408	490	1,315	1,319

✓ Preceding year. Minus sign (-) denotes decrease.

OVERSEA TRADE (MERCANDISE) NEW SOUTH WALES. Trade figures for March, 1940 show both imports (£A 6.14m.) and exports (£A 4.96m) at a high level and 19.9 and 38.4 per cent., respectively above those of March, 1939.

The inflow of ordinary imports may be decreasing though goods ordered before import restrictions were imposed in December, 1939 are being admitted for category D goods up to April 30, 1940 and for other goods up to June 30, 1940. A considerable part of the recent increase in imports is due to higher oversea prices, but totals include military aircraft. Another factor is the importation of machinery for war-time industrial expansion.

The rise in value of exports is due to higher prices and increased shipments of foodstuffs (other than wheat and flour) and other raw materials, supplemented by substantial exports of iron and steel and munitions to the United Kingdom. In March quarter, 1940 the value of exports was greater than in the corresponding quarter of any recent year and 67 per cent. above the total for March Quarter, 1939. The expansion of oversea trade since the war and recent trends are shown below:-

PART III (Continued.)

OVERSEA TRADE (MERCANDISE ONLY) NEW SOUTH WALES.

	Exports (£ million).							Imports (£ million)						
	Sept. Qr.	Dec. Qr.	March Quarter				Sept. Qr.	Dec. Qr.	March Quarter.				Sept. Qr.	Dec. Qr.
			Jan.	Feb.	Mar.	Total			Jan.	Feb.	Mar.	Total.		
1936-37	7.11	16.49	3.98	6.41	5.46	15.85	12.16	12.06	4.29	3.35	4.29	11.93		
37-38	8.81	13.64	2.51	3.64	4.33	10.48	15.18	15.86	5.02	4.86	5.29	15.19		
38-39	6.83	12.58	2.76	3.36	3.58	9.70	14.44	13.25	4.46	4.38	5.12	13.96		
39-40	7.87	13.36	5.39	5.79	4.96	16.15	14.14	11.85	6.60	7.60	6.14	20.34		

Further measures have been taken to restrict non-essential imports from non-sterling countries. On April 11, 1940 the importation of many periodicals, magazines, etc. (mostly American) was banned and others are admissible only by post on Subscription abroad.

Reduced quotas for motor vehicle chassis from the United States and Canada were announced on April 12. The new quota limits the numbers annually to 27,465 car and 10,091 truck chassis (exclusive of defence orders). Maximum importations from Canada and the United States are below those of the base year (May-April 1935-36) for car chassis by 40 per cent. and for truck chassis by 12½ per cent. The reduction is of the order of 24 and 6 per cent. respectively in comparison with imports in 1938-39.

Comparisons of value of commodity trade in March and the nine months ended March are:-

OVERSEA TRADE - MERCANDISE ONLY - NEW SOUTH WALES.

	March.		Nine Months ended March,			
	Exports.	Imports.	Exports.	Imports.	Exports.	Imports.
			£A million.	£A million.	Index Numbers.	
1929	5.55	4.87	40.19	47.68	100.0	100.0
1932	2.65	1.97	25.53	16.99	63.5	35.6
1937	5.46	4.29	39.45	36.14	98.2	75.8
1938	4.33	5.29	32.94	46.22	82.0	96.9
1939	3.58	5.12	29.12	41.65	72.2	87.4
1940	4.96	6.14	37.38	46.32	93.0	97.1

PART IV. INDUSTRIES.

MANUFACTURING INDUSTRIES. The number of persons employed in factories in New South Wales in March 1940 (241,300) was greater than ever before and 33 per cent. above the average for the pre-depression peak year, 1928-29. From February to March, there was an increase of 4,000 this year compared with 2,700 last year, while over the six months of the war factory employment increased by 13,900 compared with an increase of 900 in Sept-Mar., 1938-39. The course of employment in factories in recent months and in the corresponding period of the preceding two years was as follows:-

PERSONS EMPLOYED IN ALL FACTORIES IN NEW SOUTH WALES.

	Number employed in Middle Week of -							Increase in -		
	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Year ended Mar.	6 Mths ended Mar.	Feb. to Mar.
	000	000	000	000	000	000	000	000	000	000
1937-38	221.1	224.0	226.1	228.1	222.3	226.3	229.2	14.8	8.1	2.9
1938-39	229.9	230.7	230.8	230.1	223.1	228.1	230.8	1.6	0.9	2.7
1939-40	227.4	232.6	236.7	240.4	235.9	237.3	241.3	10.5	13.9	4.0

✓ Subject to revision.

There has been marked expansion of industries producing war manufactures and indirect effects of defence expenditure, supplemented by the stimulation arising from increased rural incomes have caused an almost general increase in factory employment. The coal strike began on March 11, 1940. Employment in factories was not affected for some weeks, but latterly, and particularly in the heavy industries, many employees have been laid off. The following table, which relates to employment in factories with ten or more employees, supplies an indication of the extent and direction of the development in manufacturing activity under wartime conditions.

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of -	Lime Cement &c.	Bricks Glass &c.	Chemical s, &c.	Indus- trial Metals	Textile & Cloth- ing.	Food and Drink	Wood-Work- ing etc.	Paper & Print- ing.	Rub-ber.
Number of Persons employed - Thousands.									
Mar., 1935	1.56	5.86	5.24	40.03	31.18	23.29	7.93	11.74	2.70
Mar., 1938	3.23	8.45	6.85	64.22	36.79	28.94	11.07	14.40	3.75
Mar., 1939	2.93	8.90	7.14	61.56	37.31	29.49	10.35	14.71	3.65
Aug., 1939	2.85	8.66	7.24	61.78	36.96	27.96	9.89	14.81	3.68
Jan., 1940	2.70	9.00	7.94	66.44	38.18	29.56	9.88	15.01	3.90
Mar., 1940	2.75	9.24	8.55	66.30	39.61	31.05	9.95	15.15	4.13

In forty-two large factories the value of products sold in February, 1940 (as in each of the preceding six months) was greater (12.6 per cent.) than in the corresponding month of the preceding year. Sales in the six war months totalled £21.2m. compared with £18.8m. in Sept.-Feb., 1938-39; showing a similar increase. There were 700 (3%) more employees in these factories and the amount paid in salaries and wages was 5.3 per cent. greater than in February, 1939.

War industries are still being developed rapidly. Higher landed costs of imported goods and restrictions placed upon the importation of certain classes of goods tend to create greater opportunities for local manufacturers, but the control of new investment should prevent the establishment of uneconomic enterprises. In some important industries a shortage of skilled labour is being experienced, and already permission for dilution has been granted in some cases by the Arbitration Court.

PART IV (Continued.)

Statistical comparisons illustrating trends in manufacturing activity in New South Wales are appended.

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

ALL FACTORIES.		FORTY-TWO LARGE FACTORIES.					
March.		Month of February.			January and February (Monthly Average).		
Employment.		Sales.	Employees.	Wages Paid Weekly.	Sales.	Employees.	Wages Paid Weekly.
Number.	Index No.						
1928-29	180,756	100	£000	000	£000	000	£000
1932	142,800	79	2,108	14.1	51.9	1,965	13.8
1937	214,400	119	2,853	22.1	83.9	2,734	21.6
1938	229,200	127	3,153	23.2	93.9	2,960	23.2
1939	230,800	128	3,070	23.2	96.4	2,904	23.2
1940	241,300	133	3,468	23.9	101.5	3,340	23.7
							101.0

↙ March, 1933.

BUILDING PERMITS - METROPOLIS.

NOTE: These statistics do not include Government Buildings.

Permits increased in March compared with earlier months but were much below the value of March, 1938 or 1939. For March Qr. the total (£2.32 m.) was 18.6% and 25.2% less than one and two years earlier. Building has decreased most in the City.

Values for factories continue relatively high, but other types of buildings (except hotels &c.) show further decline, particularly flats, offices etc., and wooden and fibro houses.

Dwellings proposed have fallen in number 40% below the level of 1938. The numbers in March were 635 in 1940 and 857 in 1939 and in March quarter, 1,775 and 2,307 respectively.

Permits granted in March, 1940 for the erection of private buildings in Sydney and suburbs were valued at £870,000 compared with £1,303,000 in March, 1938 and £993,000 in March, 1939. The total was the highest of any month since October last, but about 15 and 27½ per cent, below the monthly average in the years 1939 and 1938, respectively.

The post-depression high level of building permits was reached in the middle months of 1938. A moderate decrease occurred over the next twelve months and in the war months there has been a further decline. In March quarter permits in 1940 (£2,324,000) were £532,000 (18.6%) and £782,000 (25.2%) less than in the corresponding quarter of one and two years earlier. Quarterly comparisons are:-

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

	March.	June	September	December	Year ended
	Quarter.	Quarter.	Quarter.	Quarter.	March.
	£000	£000	£000	£000	£000
1937	1,950	2,986	3,079	3,245	9,624
1938	3,106	3,689	4,053	3,194	12,416
1939	2,856	3,230	3,531	2,603	13,791
1940	2,324	-	-		11,688
Decrease 1938-39 to 18.6%		12.5%	12.9%	18.5%	15.25%
1939-40.					

The decrease has been greater in the city than in suburban areas. Comparing totals for March quarter of this and last year, permits in

/the city.....

PART IV. (Continued.)

the city decreased by 47.3 per cent. and in the suburbs by 13.6 per cent. Particulars of value for March and March quarter compare as under:-

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.  
Including Alterations and Additions - Government Buildings Excluded.

	Month of March.			March Quarter.		
	City.	Suburbs.	Total.	City.	Suburbs.	Total.
	£000	£000	£000	£000	£000	£000
1934	77	347	424	258	857	1,115
1937	63	657	720	199	1,751	1,950
1938	377	926	1,303	667	2,439	3,106
1939	200	793	993	427	2,429	2,856
1940	69	801	870	225	2,099	2,324

Amounts for all classes of buildings (except hotels, guest houses, etc., which fluctuate) covered by permits granted in March quarter, 1940 were below those of March quarter, 1939. The significant features were:-

the falling off in proposals for houses of low and moderate cost,  
the decline of flat building from the peak levels of 1938 and 1939, and  
a relatively high level of factory building in comparison with recent years other than 1939.

For factories totals for recent months compare with those of a year earlier as follow:-

Value of Permits to Build. Extend or Alter Factories - Metropolis.

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Total 7 Months.</u>
	£000	£000	£000	£000	£000	£000	£000	£000
1938-39	74	46	111	68	210	90	47	646
1939-40	98	105	76	65	50	66	101	561

The value for each principal class of building proposed in March quarter of each of the past five years is shown in the next table. The decrease for "Other buildings" is mainly a reflection of the lull in the construction of large city offices.

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.  
Including Alterations and Additions - Government Buildings excluded.

Type of Building.	March Quarter.				
	1936. £000	1937. £000	1938. £000	1939. £000	1940. £000
Dwelling - Brick	790	752	1,108	1,087	1,061
- Wood & Fibro	80	105	180	223	147
Hotels, Guest Houses, etc.	52	42	60	161	185
New Flats	453	343	696	557	384
Conversions to Flats	25	29	30	12	11
Shops with Dwellings	55	48	35	42	51
Shops only	38	41	49	92	48
Factories	223	288	223	324	210
Public Garages	8	39	41	23	8
Other buildings (a)	732	263	684	335	219
Total	2,456	1,950	3,106	2,856	2,324

(a) Offices, churches, theatres, private schools, outhouses, private garages, etc.

PART IV. (Continued.)

DWELLINGS. In March quarter 1940 permits for all dwelling houses were £102,000 less than in March quarter, 1939 - a decrease of 7.8 per cent. For wooden and fibro houses alone the decrease was 34 per cent., and while for brick houses the total value decreased only 2.4 per cent. they were 7.5 per cent. less in number. This is partly due to the more restricted activity in house-building financed by co-operative building societies. Inability to secure finance is preventing the formation of new societies and the possibility of new money being made available is related to the exigencies of monetary control and war finance. The provision by the State Government of advances to assist persons in the lower wage category to build 400 homes will provide some offset to decreased activity through other agencies.

In the last quarter 602 dwellings in flats, etc. were proposed. This was less than in March quarter of any of the preceding four years and 310 (34 per cent.) less than in Jan.-Mar., 1939. Higher building costs, a lower proportion of mortgage advances on property and State control of rents are factors influencing activity in this field.

During March, 1940 there were 635 net additional dwellings of all types proposed, compared with 857 in March, 1939 and 1,017 in March, 1938. The number has decreased in comparison with one and two years earlier in each of the past seven months:-

	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Total 7 months</u>
Number of net additional dwellings proposed.								
1937-38	876	931	853	726	688	842	1017	5,933
1938-39	1185	812	744	782	643	811	857	5,834
1939-40	569	775	686	426	488	652	635	4,231

Particulars of the number of dwellings proposed in March quarter of each of the last five years are:-

METROPOLITAN AREA - PERMITS TO ERECT BUILDINGS CONTAINING DWELLINGS.

Type of Dwelling	March Quarter.				
	1936.	1937.	1938.	1939.	1940
	Number of Dwellings.				
Houses - Of Brick	802	738	1,062	1,046	967
- Of Wood, Fibro, etc.	207	229	338	414	271
<u>Total - Houses</u>	<u>1,009</u>	<u>967</u>	<u>1,400</u>	<u>1,460</u>	<u>1,238</u>
Flats - In New Flat Buildings	798	570	1,087	812	528
- In Converted Buildings	103	90	101	60	39
- With Shops, and Hotels	48	31	34	40	35
<u>Total - Flats, etc.</u>	<u>949</u>	<u>691</u>	<u>1,222</u>	<u>912</u>	<u>602</u>
Grand Total Dwellings Proposed	1,958	1,658	2,622	2,372	1,840
<u>Less Demolitions &amp; Conversions</u>	<u>81</u>	<u>140</u>	<u>75</u>	<u>65</u>	<u>65</u>
Net Additional Dwellings	1,877	1,518	2,547	2,307	1,775

The monthly average for the first quarter of this year is about 40 per cent. below that of the calendar year, 1938 and about 28 per cent. below that of 1929.

PART IV (Continued.)

NUMBER OF DWELLINGS PROPOSED - SYDNEY AND SUBURBS.

	Calendar Year.						March Qr.	
	1929.	Average 1930-34.	1937.	1938.	1939.	1939.	1940	
Individual Houses	7,095	1,205	4,852	6,342	5,847	1,460	1,238	
In Flats, with shops, etc.	3,097	656	3,900	5,821	4,290	912	602	
Net Total (after de- ducting demolitions &c.)	9,854	1,839	8,490	11,853	9,822	2,307	1,775	

COAL. On March 11, 1940 work ceased in all the principal collieries in New South Wales (and neighbouring States) as the result of an industrial dispute.

Prior to the stoppage approximately 15,600 men were at work in collieries in New South Wales, which (with allowances for minor disputes) was about the same number as in March, 1939. As in the case of earlier labour disturbances, the mechanisation of mines (which already has reduced employment opportunities in the industry by perhaps 33 per cent. compared with years prior to 1928) may be hastened.

The carriage of coal by rail and beyond the State by sea has been affected by the cessation of coal production.

COAL MINING INDUSTRY - NEW SOUTH WALES.

	Coal Hauled on Govt. Railways.		Coal shipped by Sea beyond N.S.W.		Coal Raised(a)	Men Employed in Collieries.(b)
	March.	March Qr.	March.	March Qr.	Calendar Year.	March.
	(000 tons		(000 tons.		(000 tons	Number
1928	522	1572	Not available.		9448	21,700(c)
1932	385	1082	205	562	6784	14,100(c)
1937	588	1697	260	719	10052	14,040
1938	672	1865	341	828	9571(e)	15,420
1939	807	2101	335	893	11196	16,200
1940(e)	240(d)	1324(d)	132(d)	601(d)	...	15,600

(a) Average, 1923 to 1927; 11,100,000 tons.

(b) In 1927 the average number employed was 24,500.

(c) Yearly average. (d) Approximate. (e) Affected by industrial dispute.

GAS AND ELECTRICITY. The amount of gas and electricity consumed in Sydney and suburbs in March, 1940 was 30 per cent. above the average for March, 1929-31 and the same as in March, 1939. Over the preceding six months consumption of gas and electricity was about 10 per cent. greater than in the corresponding period of 1938-39. Absence of a similar increase in March, 1940 may be attributed to inclusion of the entire Easter holiday period in that month, and as well to unusually cold weather in March, 1939 and the very mild weather of last month. Index numbers were:-

	Dec.	Jan.	Feb.	March.	April.
1938-39	124	125	125	130	125
1939-40	131	136	135	130	

Railway and tramway services have been curtailed to reduce the use of coal in the generation of electricity owing to the industrial stoppage in the coal mines. According to a press report the census of coal stocks taken by the Commonwealth Government revealed that stocks for gas supply and industry are sufficient to maintain supplies for several weeks.

/The.....

PART IV. (Continued.)

The following comparisons show how the consumption of gas and electricity has increased under the influences of industrial expansion, greater prosperity and the growth of population during recent years.

CONSUMPTION OF GAS AND ELECTRICITY - SYDNEY.

1929. 1932. 1936. 1937. 1938. 1939. 1940.

Index Numbers: Average, 1929-31 = 100.

Month of March	102	95	111	115	121	130	130
Calendar Year	105	96	112	119	123	131	-

WIRELESS LICENSES. The number of Broadcast Listeners' Licenses in force in New South Wales at March 31, 1940 was 447,310. The increase in March was small - 383, compared with 753 in March, 1939. In March quarter increases were 8,460 in 1938, 7,369 in 1939 and 5,376 this year. The proportion of licenses to population (about 1 to 6) is relatively high and increases of the order of earlier years are not to be expected.

BROADCAST LISTENERS' LICENSES IN FORCE IN NEW SOUTH WALES.  
(Including Australian Capital Territory).

1932. 1936. 1937. 1938. 1939. 1940.

Number of licenses - Thousands.

At 31st March	132.6	305.0	345.1	395.5	428.0	447.3
Increase in last twelve months.	13.2	33.2	40.1	50.4	32.5	19.3